

### *New Fees Target Responsible Customers*

Washington, DC— Wednesday, Congressman Harry Teague continued his fight against deceptive and unfair banking practices today by sending a letter to the Chief Executive Officers of Bank of America and Citigroup. The letter, signed by 42 additional members of the House, called for the executives to reverse their decision to enforce new credit card fees on customers in good standing.

Both Bank of America and Citigroup have announced new fees for reliable customers, as [reported by](#)

*The Today Show*

and

*USA Today*

. Bank of America will begin charging customers an annual fee for not carrying a balance while Citigroup has already begun charging consumers who maintain balances below \$2,400. Consumers will now have to choose between paying outrageous fees for being responsible customers, or risking negative impacts on their credit rating when they cancel their credit accounts, both of which could further destabilize the credit card industry.

“Once again, credit card companies are preying on consumers with unfair and deceptive fees. Punishing customers who have faithfully paid off their balance is simply not the way to encourage responsible financial practice or reinvigorate the banking industry,” said

Congressman Harry Teague. “These big banks relied on their customers and all taxpayers to fund the \$90 billion they received in bailout funds and now they are coming back for more at a time when most families are struggling to make ends meet. These fees are wrong and I will continue to fight against companies that take advantage of my constituents.”

### **The Full Text of the Letter is below:**

October 26, 2009

Mr. Kenneth Lewis

Bank of America Chief Executive Officer

100 North Tryon Street

Charlotte, NC 28255

Vikram Pandit

Citigroup Chief Executive Officer

399 Park Avenue

New York, NY 10022

Dear Mr. Lewis and Mr. Pandit,

We have received numerous complaints from our constituents regarding unreasonable credit card interest rate changes prior to the Credit Card Accountability Responsibility and Disclosure Act of 2009 (Credit CARD Act) reforms.

Three weeks ago, we sent letters to credit card industry leaders urging them to follow the example set by Bank of America, who announced they would not increase their credit card interest rates prior to the effective date of the Credit CARD Act. *The Today Show* and *USA Today* are now reporting that Bank of America will begin charging customers an annual fee for not carrying a balance. Even more troubling, the reports also reveal that Citigroup has already begun charging consumers who maintain balances below \$2,400. These reports are especially disappointing and further erode any good faith left in the industry.

While we understand that your companies have been struggling to stabilize during this economic downturn, penalizing consumers for maintaining responsible credit practices is both absurd and unfair. Bank of America and Citigroup have each received \$45 billion in federal bailout funds over the last year. We urge you to consider those consumers, whose tax dollars funded your bailouts, and who dutifully pay their bills on time and are now struggling to make ends meet.

This practice may also bring unintended consequences for credit in America, as a consumer's credit score is negatively impacted by closing a credit card account. Many Americans may choose to cancel their accounts rather than pay additional fees for being responsible customers, which could further destabilize the credit card industry. In a time when businesses are struggling to maintain their customer base just to survive, the credit card industry seems openly disdainful of the hard working Americans who comprise theirs.

The Credit CARD Act does not prohibit these new fees; however, this legislation has brought many of these credit card practices under scrutiny and highlighted the gaps in consumer protection. We will continue to evaluate these practices to determine if further legislative action is warranted.

Finally, we would like to remind you that consumers and businesses drive the American economy. It is in our country's best interest to ensure they can weather this economic crisis. Wall Street banks have received hundreds of billions of dollars of taxpayer money while families

and small businesses on Main Street face a severe credit crunch and rising unemployment. With additional Congressional oversight, increased media attention, pending legislation, and economically stressed constituents, we feel that Bank of America and Citigroup have made very poor decisions. We urge you to immediately reconsider your decision to institute new credit card fees on customers in good standing.

Sincerely,

Betsy  
Markey  
Sutton

Betty

Member of Congress  
Member of Congress

John  
Salazar  
Larry Kissell

Member of Congress  
Member of Congress

Ed  
Markey  
Marcia Fudge

Member of Congress  
Member of Congress

Grace Napolitano  
Chris Carney

Member of Congress  
Member of Congress

Michael  
Arcuri  
Pingree

Chellie

Member of Congress  
Member of Congress

Phil  
Hare  
Joe Courtney

Member of Congress  
Member of Congress

Carol Shea-Porter  
Bruce Braley

Member of Congress  
Member of Congress

Mark  
Schauer  
Dina Titus

Member of Congress  
Member of Congress

Steve  
Cohen  
Tonko

Paul

Member of Congress  
Member of Congress



Eric  
Massa  
Elijah Cummings

Member of Congress  
Member of Congress

Harry  
Teague  
Maurice Hinchey

Member of Congress  
Member of Congress

Mike  
Doyle

Alcee Hastings

Member of Congress  
Member of Congress

Dale  
Kildee  
Lois Capps

Member of Congress  
Member of Congress

Allen  
Boyd  
Schakowsky

Jan

Member of Congress  
Member of Congress

Marcy  
Kaptur  
Barbara Lee

Member of Congress  
Member of Congress

Mike  
Quigley  
Stark

Pete

Member of Congress  
Member of Congress

Bob  
Filner  
John Olver

Member of Congress  
Member of Congress

Jim  
Costa  
John Conyers

Member of Congress  
Member of Congress

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